information concerning -- in 1993, that is, concerning the 1 expenses of the Portland station? 2 3 A No, no. What about in 1992? 4 A 5 No. As you sit here today, have you received any 6 information concerning the circulation or the audience of the 7 Portland station in 1993? 8 9 A No. The same question for 1992? 10 11 A No. I want to ask you a question, sir, is the name Terri 12 Hickey a name that's familiar to you? 13 14 A Yes. And tell me how you recognize the name Terri Hickey. 15 He is an assistant secretary and officer of the 16 A 17 corporation, assistant to Jane Duff. Now, at the time of your deposition you didn't know 18 Q that, did you? 19 20 A No. At that time you didn't know who Terri Hickey was, 21 22 is that correct? 23 A No. 24 Q Am I correct? 25 A You're correct.

| 1  | Q          | And at the time of your deposition, you didn't know  |
|----|------------|--|
| 2  | who Al Bro | own was, did you?                                    |
| 3  | A          | No.  |
| 4  | Ω          | Do you know now who Al Brown is?                     |
| 5  | A          | Yes.   |
| 6  | Q          | And who is Al Brown?                                 |
| 7  | A          | Assistant secretary and officer of the corporation.  |
| 8  | Q          | Was an annual meeting of NMTV held in 1993?          |
| 9  | A          | Not yet, sir.  |
| 10 | Q          | And you can accept this as a fact that up until 1993 |
| 11 | the annua  | l meetings were held in January of each year, do you |
| 12 | have any   | knowledge as to why NMTV did not hold an annual      |
| 13 | meeting in | n January of 1993?                                   |
| 14 | A          | I would think because we were holding meetings       |
| 15 | either by  | phone or in person quite often in 1992 prior to the  |
| 16 | annual med | eting in other years and preparing for this very     |
| 17 | situation  | that we are here now for.                            |
| 18 |            | MR. COHEN: Would you show the witness, Howard,       |
| 19 | Bureau Exi | hibit 386?   |
| 20 |            | BY MR. COHEN:  |
| 21 | Q          | Now, Pastor, what I have asked Mr. Topel to put      |
| 22 | before you | u is the 1992 annual meeting of NMTV and you'll      |
| 23 | notice tha | at at that meeting officers were and directors       |
| 24 | were reele | ected to the positions set forth on page one. You    |
| 25 | see that?  |  |

| 1  | A          | Yes.   |
|----|------------|--|
| 2  | Q          | Now, in 1993, were officers and directors reelected? |
| 3  | A          | No, we didn't have an annual meeting.                |
| 4  | Q          | And so the same officers were                        |
| 5  | A          | Should serve until their successor has been duly     |
| 6  | elected.   |  |
| 7  | Q          | Are there any other officers of the corporation      |
| 8  | other tha  | n the ones that are set forth in that document that  |
| 9  | you have   | before you?  |
| 10 | A          | Not to my knowledge. Well, I'm sorry, Mr. Aguilar    |
| 11 | is no lone | ger a member of the director and Mr. Ramirez is.     |
| 12 | Q          | A director.  |
| 13 | A          | A director.  |
| 14 | Q          | What about the officers, are the officers the same   |
| 15 | as they we | ere?   |
| 16 | A          | To my knowledge, yes. Here again, Mr. Aguilar was    |
| 17 | vice pres  | ident and he is not and we don't have a vice         |
| 18 | president  | , to my knowledge, that we'll put in that place.     |
| 19 | Q          | There was not vice president elected to substitute   |
| 20 | for Mr. A  | guilar when he ceased being a vice president.        |
| 21 | A          | No.  |
| 22 | Q          | So the record is clear, you have testified about Mr. |
| 23 | McCleallar | n reporting at board meeting and I think that we've  |
| 24 | agreed tha | at that was in January of 1992, has Mr. McCleallan   |
| 25 | reported a | at a board subsequent to then?                       |

| 1  | A          | No, not to my knowledge.                           |
|----|------------|--|
| 2  | Q          | Do you have any knowledge of NMTV's sick leave     |
| 3  | policy for | r its employees?                                   |
| 4  | A          | No.  |
| 5  | Q          | Okay, now, since you've been a member of the board |
| 6  | of NMTV a  | nd that was in Oct since October of 1991, has      |
| 7  | there ever | r been any disagreement among the directors on     |
| 8  | policies o | or issues?   |
| 9  | A          | None to my knowledge, no.                          |
| 10 | Q          | And there haven't been any split votes?            |
| 11 | A          | No, only absent abstaining but no split votes.     |
| 12 | Q          | I mean, nobody you never had a situation where     |
| 13 | some peop  | le voted yes and some people voted no.             |
| 14 | A          | No, no.  |
| 15 | Q          | Now, at the time you deposition was taken, Pastor, |
| 16 | you did no | ot have an understanding of the difference between |
| 17 | directors  | and officers of NMTV.                              |
| 18 | A          | No.  |
| 19 | Q          | Am I correct?                                      |
| 20 | A          | That's right.                                      |
| 21 | Q          | At the time your deposition was taken you believed |
| 22 | they were  | one in the same, didn't you?                       |
| 23 | A          | Yes, sir.  |
| 24 | Q          | Now, I want to bring you to the time that Pastor   |
| 25 | Aguilar    | - prior just prior to the time he resigned from    |

| 1  | the board  | and let me get the facts accurately as to when he   |
|----|------------|---|
| 2  |            | Go off the record, can you help me here a minute?   |
| 3  |            | MR. SHOOK: April 20, 1993.                          |
| 4  |            | MR. COHEN: April 20, 1993. I'm helped by my         |
| 5  | colleague  | Mr. Shook and you can accept this as a fact, April  |
| 6  | 20, 1993.  | Mr. Shook and you can accept this as a second       |
|    | 20, 1993.  | MR. SHOOK: Bureau Exhibit 412.                      |
| 7  |            |   |
| 8  |            | MR. COHEN: Bureau Exhibit 112.                      |
| 9  |            | MR. SHOOK: 412.                                     |
| 10 |            | MR. COHEN: 412, in fact if you want to look at that |
| 11 | to         |   |
| 12 |            | JUDGE CHACHKIN: Well, no, do you have any problem   |
| 13 | with that  | date the witness have any problem with that date?   |
| 14 |            | MR. HILL: No.                                       |
| 15 |            | JUDGE CHACHKIN: All right, let's proceed.           |
| 16 |            | MR. COHEN: Thank you, Your Honor.                   |
| 17 |            | BY MR. COHEN:                                       |
| 18 | Q          | Now, are you aware that NMTV hired a private        |
| 19 | detective  | to look into Pastor Aguilar's record prior to the   |
| 20 | time he re | esigned.  |
| 21 | A          | No.   |
| 22 | Q          | And the first time you heard of that was your       |
| 23 | deposition | n, is that correct?                                 |
| 24 | A          | Yes.  |
| 25 | Q          | Do you know who authorized the hiring of the        |

| _  | 1  |
|----|--|
| 1  | detective, the private detective?                            |
| 2  | A No.  |
| 3  | Q And this was while he was a director, you                  |
| 4  | understand, I wanted to make it clear and you understand     |
| 5  | A I'm clear.   |
| 6  | Q Huh?   |
| 7  | A I'm clear.   |
| 8  | Q You're clear on that, yeah. I want to ask you a few        |
| 9  | questions about your testimony if you would. Would you look  |
| 10 | at and your by your testimony I'm talking about this         |
| 11 | the blue book.   |
| 12 | JUDGE CHACHKIN: The witness has Exhibit he has               |
| 13 | it in his hand now.  |
| 14 | MR. COHEN: You can take this and look, Pastor, you           |
| 15 | don't have to  |
| 16 | JUDGE CHACHKIN: I think the witness could handle             |
| 17 | this. If he needs help he could ask for it. What page do you |
| 18 | want him to look at?   |
| 19 | MR. COHEN: Yes, sir, page 24.                                |
| 20 | MR. HILL: 24?  |
| 21 | MR. COHEN: 24, yes, 24, Judge.                               |
| 22 | MR. HILL: Yes.   |
| 23 | MR. COHEN: Excuse me, paragraph 24, Judge, I'm in            |
| 24 | error.   |
| 25 | MR. HILL: Okay.  |

| 1  | MR. COHEN: That would be page 18, begins.                      |
|----|--|
| 2  | MR. HILL: Yes.   |
| 3  | MR. COHEN: I wanted to ask you                                 |
| 4  | JUDGE CHACHKIN: Let the witness all right the                  |
| 5  | witness has it.  |
| 6  | BY MR. COHEN:  |
| 7  | Q I want to ask you  |
| 8  | A Okay.  |
| 9  | Q What I want to ask you about is and spend as much            |
| 10 | time on this as you need, I want to just ask you this question |
| 11 | about this sentence at the top of the page, I specifically     |
| 12 | expressed an interest in acquiring a low-power station in the  |
| 13 | Los Angeles, you see that?                                     |
| 14 | A Yes.   |
| 15 | Q What steps have been taken to acquire a low-power            |
| 16 | station in the Los Angeles area?                               |
| 17 | A Well, step one, I received from our attorney here,           |
| 18 | again I'm confused the name                                    |
| 19 | Q Colby May.   |
| 20 | A Colby May I'll get May and then I'll know it now.            |
| 21 | Colby May and from Ms. Duff, I got a complete list of low-     |
| 22 | powered stations from the office of Colby May cross-country    |
| 23 |  |
| 24 | Q Yes.   |
| 25 | A because I was concerned. I received a copy of a              |

| 1  | station i   | n Los Angeles, I believe it's a black workshop, some |
|----|-------------|--|
| 2  | group tha   | t had a license that they had not developed and the  |
| 3  | possibili   | ties of getting into those. I made my own inquiry    |
| 4  | about the   | Los Angeles low-powered station and found it to be   |
| 5  | having      | quite a few problems and I didn't proceed forward    |
| 6  | and I hav   | e not proceeded forward with the others that were    |
| 7  | made know   | n to me then by the                                  |
| 8  | Q           | Are you aware that the                               |
| 9  |             | (Tape change)  |
| 10 |             | BY MR. COHEN:  |
| 11 | Q           | Is it your understanding that the station that the   |
| 12 | black wor   | kshop was involved in is a low-powered station?      |
| 13 | A           | It was my understanding that it was a low-powered    |
| 14 | station.    |  |
| 15 | Q           | Thank you. Pastor, I wanted to ask you a few         |
| 16 | questions   | about the Community Brace Project which I'm sure     |
| 17 | you're ve   | ry familiar with.                                    |
| 18 | A           | Yes.   |
| 19 | Q           | Now, Community Brace is a for-profit corporation.    |
| 20 | A           | Yes.   |
| 21 | Q           | Okay, and you're the chief executive officer of that |
| 22 | corporation | on, correct?   |
| 23 | A           | Yes.   |
| 24 | Q           | And you're also the chairman of the board.           |
| 25 | A           | Yes.   |

| 1  | Ω           | And you're also a stockholder.                       |
|----|-------------|--|
| 2  | A           | Yes.   |
| 3  | Ω           | I see, what stock ownership do you hold in the       |
| 4  | corporation | on?  |
| 5  | A           | I have approximate you mean in money?                |
| 6  | Q           | No, in terms of in well, let's do it both, in        |
| 7  | terms of p  | percentage of stock, what percentage of stock do you |
| 8  | own?        |  |
| 9  | A           | Oh, I own approximately I would say I own around     |
| 10 | forty per   | cent.  |
| 11 | Q           | And you also have invested money?                    |
| 12 | A           | Yes, I have.   |
| 13 | Q           | And how much money have you invested in Community    |
| 14 | Brace?      |  |
| 15 | A           | I've invested a total of about \$40,000.             |
| 16 | Q           | How much money all together has been invested in     |
| 17 | as you put  | t it, into Community Brace?                          |
| 18 | A           | About \$60,000.                                      |
| 19 | Q           | And where did the other \$20,000 come from?          |
| 20 | A           | Other persons who helped me form the organization    |
| 21 | plus a loa  | an.  |
| 22 | Q           | And one of those persons who's involved with you is  |
| 23 | man named   | Cal Burton.  |
| 24 | A           | That's right.  |
| 25 | Q           | And Cal Burton is a friend of yours, correct?        |

| 1  | A          | Yes, he is.  |
|----|------------|--|
| 2  | Q          | And he's also a stockholder, isn't he?             |
| 3  | A          | Yes, he is.  |
| 4  | Q          | And what percentage of stock does he own,          |
| 5  | stockhold  | er in Community Brace?                             |
| 6  | A          | He will be forty per cent of total.                |
| 7  | Q          | And he's a director.                               |
| 8  | A          | Yes.   |
| 9  | Q          | And he's an officer.                               |
| 10 | A          | Yes.   |
| 11 | Q          | And what office does he hold?                      |
| 12 | A          | He is president.                                   |
| 13 | Q          | And how many directors are there on Comm at        |
| 14 | Community  | Brace?   |
| 15 | A          | At the present time we have three.                 |
| 16 | Q          | And who and it's so it's you, Mr. Burton and       |
| 17 | who's the  | third person?                                      |
| 18 | A          | Our banker, believe it or not                      |
| 19 | Q          | He's your banker?                                  |
| 20 | A          | Yes.   |
| 21 | Q          | That's sufficient for my purposes. Those are the   |
| 22 | only three | e then.  |
| 23 | A          | Yes.   |
| 24 | Q          | And how long has Community Brace been in business, |
| 25 | been in e  | kistence?  |

| _  | _          | man to the same around second                        |
|----|------------|--|
| 1  | A          | This is our second year.                             |
| 2  | Q          | In existence.  |
| 3  | A          | Yes.   |
| 4  | Q          | The second year. It was organized in 1992 or 1991?   |
| 5  | A          | No, it would be '92.                                 |
| 6  | Q          | Now, there came a time, as I understand it, and help |
| 7  | me on the  | dates, when you presented to Paul Crouch the concept |
| 8  | that NMTV  | and Trinity would loan funds to Community Brace.     |
| 9  | A          | That's right.  |
| 10 | Ω          | And what's your best recollection of when that       |
| 11 | occurred,  | approximately.                                       |
| 12 | A          | Well, that was a week or so prior to that the        |
| 13 | minutes -  | - the meeting that we had at the hotel if I can find |
| 14 | the minute | es of the meeting we had a the hotel concerning      |
| 15 | Community  | Brace, it would be a couple of weeks before that.    |
| 16 | Q          | Let's see, the meeting is around Oct was that        |
| 17 | October of | f '90 of '92?  |
| 18 |            | MR. TOPEL: That was in October of '92.               |
| 19 |            | BY MR. COHEN:  |
| 20 | Q          | October of '92.                                      |
| 21 | A          | Yes.   |
| 22 | Q          | Okay, so it was about in the vicinity, is that       |
| 23 | correct?   |  |
| 24 | A          | Several weeks before that.                           |
| 25 | Q          | Okay, and you approached Pastor Crouch.              |

| 1  | A Yes, I did.  |
|----|--|
| 2  | Q Okay, and that was before you became a board member          |
| 3  | or no, strike that no, no, strike that.                        |
| 4  | A No, I was a board member.                                    |
| 5  | Q Of course, my years okay. You were then a board              |
| 6  | member of NMTV?  |
| 7  | A Yes.   |
| 8  | Q Okay, and you approached Pastor Crouch and you asked         |
| 9  | him whether well, tell me what you said to Pastor Crouch.      |
| 10 | A I asked Pastor Crouch whether or not TBN or Minority         |
| 11 | Television could make a loan to Community Brace MESBIC         |
| 12 | Corporation to help us get it off the ground in our community. |
| 13 | Q And, of course, as a officer, a stockholder and a            |
| 14 | director of Community Brace, you stood to personally           |
| 15 | financially gain from the proposed relationship with TBN and   |
| 16 | NMTV?  |
| 17 | A Yes.   |
| 18 | Q And  |
| 19 | A All of which, I might add, were questions that I             |
| 20 | asked Mr. Crouch as to whether or not that would be possible.  |
| 21 | Q And he told you it would.                                    |
| 22 | A Well, he didn't say anything at that particular time         |
| 23 | because he said he had to confer with his attorneys and his    |
| 24 | internal revenue advisors and see.                             |
| 25 | Q But you told Mr. Crouch that you stood to personally         |

| 1  | gain.      |   |
|----|------------|---|
| 2  | A          | Oh, yes.  |
| 3  | Q          | So he was aware of that.                          |
| 4  | A          | Yes.  |
| 5  | Q          | Did you tell Mr. Crouch that you were a substant  |
| 6  | strike the | at. Did you tell Mr. Crouch that you had invested |
| 7  | about \$40 | ,000?   |
| 8  | A          | I don't believe I told him that.                  |
| 9  | Q          | Did you tell him that you had been a that you had |
| 10 | invested : | funds in Community Brace?                         |
| 11 | A          | Yes.  |
| 12 | Ω          | So he knew that.                                  |
| 13 | A          | Yes.  |
| 14 | Q          | And he knew did you tell him that you were        |
| 15 | what your  | percentage of ownership was?                      |
| 16 | A          | No.   |
| 17 | Q          | Did you tell him you were a substantial owner?    |
| 18 | A          | Yes.  |
| 19 | Q          | And I take it you told him you were an officer?   |
| 20 | A          | Yes.  |
| 21 | Q          | And you tried diligently, you and your colleagues |
| 22 | and attor  | neys your own attorney, you tried diligently to   |
| 23 | persuade 1 | NMTV and TBN to supply the \$1,500,000.           |
| 24 | A          | Yes.  |
| 25 | Q          | And you tried to persuade them, them meaning NMTV |

| 1  | and TBN that this was a prudent investment.                  |
|----|--|
| 2  | A Yes. May I add another word?                               |
| 3  | Q Yes.   |
| 4  | A Not only prudent, but a helpful investment to the          |
| 5  | minority community.  |
| 6  | Q Now, isn't it true there came a time that you were         |
| 7  | informed by representatives of TBN and NMTV that you since   |
| 8  | you could potentially personally profit from the funding by  |
| 9  | Trinity and NMTV that such funding would not comply with IRS |
| 10 | rules?   |
| 11 | A They didn't tell me that, they just simply said that       |
| 12 | their advise from the IR Internal Revenue advisors was that  |
| 13 | it would not be a proper investment to be made and then they |
| 14 | also reported that the MESBIC's could not receive a loan and |
| 15 | that it would have to be an investment.                      |
| 16 | Q Well, didn't there come a time that Norman Juggert         |
| 17 | informed you that the proposed transaction put you at risk   |
| 18 | under the self-dealing provisions of the California          |
| 19 | Corporations Code?   |
| 20 | A Yes, he did, and we refuted that.                          |
| 21 | Q Well, he stated that to you in a letter dated              |
| 22 | January 6, 1993 and I want to show that letter.              |
| 23 | MR. COHEN: Let me mention, Your Honor, Mr. Juggert           |
| 24 | is going to be a witness here.                               |
| 25 | JUDGE CHACHKIN: Yes.   |

| 1  | MR. COHEN: And I have a packet of information that             |
|----|--|
| 2  | was supplied after discovery was completed, this came from Mr. |
| 3  | Topel. My sense is the information came from Mr. Juggert and   |
| 4  | that whether that's true or not, I'm not going to be I'm       |
| 5  | not going to be offering this document through the witness but |
| 6  | I guess I should identify it and then I'll be offering it      |
| 7  | through Mr. Juggert.   |
| 8  | JUDGE CHACHKIN: You might as well identify it so               |
| 9  | that   |
| 10 | MR. COHEN: Yes, it's a packet, Your Honor, of 81               |
| 11 | pages and it's   |
| 12 | JUDGE CHACHKIN: You're going to introduce the                  |
| 13 | entire package, is that your intent, Mr. Cohen?                |
| 14 | MR. COHEN: Yes, I'm going it's my intention to                 |
| 15 | through Mr. Juggert, not through this witness, but I'll have   |
| 16 | it identified now because I want to ask the witness            |
| 17 | JUDGE CHACHKIN: Do you have copies?                            |
| 18 | MR. COHEN: Oh, yes, oh, yes.                                   |
| 19 | JUDGE CHACHKIN: You might want to get a copy all               |
| 20 | right. You might as well identify them now since you want to   |
| 21 | ask the witness questions and then you can move it's admission |
| 22 | when Mr. Juggert's here.                                       |
| 23 | MR. COHEN: Yes, yes.   |
| 24 | MR. TOPEL: And what's my next number, Your Honor.              |
| 25 | JUDGE CHACHKIN: 218.   |

| 1  | MR. COHEN: Sir, here's let me just hand that to                |
|----|--|
| 2  | you. What I wanted to direct your attention to                 |
| 3  | JUDGE CHACHKIN: Have you identified this as a                  |
| 4  | document?  |
| 5  | MR. COHEN: Oh, excuse me, I'm sorry, it's not I                |
| 6  | have not identified it.  |
| 7  | JUDGE CHACHKIN: All right.                                     |
| 8  | MR. COHEN: Yes, thank you, Your Honor, for                     |
| 9  | reminding me. This document, Your Honor, this 81-page          |
| 10 | document is a compendium of various letters and memorandum and |
| 11 | it's the lead the first page is on the letterhead of           |
| 12 | Juggert and Waymon APC Law Firm, telecopier transmission. If   |
| 13 | you wish, I could identify each page.                          |
| 14 | JUDGE CHACHKIN: No, there's no need to do that, no.            |
| 15 | MR. COHEN: But it's as I say, it's a compendium of             |
| 16 | various letters and faxes. I received all of this from Mr.     |
| 17 | Topel and so   |
| 18 | JUDGE CHACHKIN: It's all numbered chronologically,             |
| 19 | so   |
| 20 | MR. COHEN: Yes, and I we've had the pages                      |
| 21 | numbered.  |
| 22 | JUDGE CHACHKIN: Yes, the 81-page document will be              |
| 23 | marked for identification as Glendale Exhibit 218.             |
| 24 | (Whereupon, the document referred to                           |
| 25 | as Glendale Exhibit 218 was hereby                             |

| 1  | marked for identification.)                                    |
|----|--|
| 2  | MR. COHEN: And what I wanted to direct your                    |
| 3  | attention to, sir, was a letter at page 80 dated January 6,    |
| 4  | 1993 from Norman Juggert to your colleague Mr. Burton.         |
| 5  | MR. HILL: Um-hum.  |
| 6  | MR. COHEN: And I'm not going to                                |
| 7  | JUDGE CHACHKIN: Excuse me, what page are we in?                |
| 8  | MR. COHEN: 80 page 80. I'm not going to be                     |
| 9  | asking you questions about this document, all I want to do is  |
| 10 | point out to you that at the bottom of the first paragraph Mr. |
| 11 | Juggert stated that the terms place Reverend Hill at risk      |
| 12 | under the self-dealing provisions of Section 9243 of the       |
| 13 | Corporations Code which requires among other things among      |
| 14 | other conditions that a transaction that benefits a director   |
| 15 | be for the benefit of the religious organization and that the  |
| 16 | terms of the transaction be fair and reasonable as to the      |
| 17 | corporation.   |
| 18 | BY MR. COHEN:  |
| 19 | Q Now, my question to you, sir, is are you is it               |
| 20 | your testimony that you refuted that?                          |
| 21 | A Yes, we did.   |
| 22 | Q And when did you refute it?                                  |
| 23 | A After we received it, our attorney talked with Mr.           |
| 24 | Juggert, I think Cal Burton talked with Mr. Juggert but Mr.    |
| 25 | Juggert stood by his decision that he had in the letter.       |

| 1  | Q And your attorney tried to persuade Mr. Juggert that         |
|----|--|
| 2  | the self-dealing provisions of Section 9243 of the Corporation |
| 3  | Code did not apply.  |
| 4  | A Did not apply, it was based on the fact that a non-          |
| 5  | profit corporation could invest in a profit corporation.       |
| 6  | Q But you were unable to persuade or he was unable             |
| 7  | to persuade Mr. Juggert.                                       |
| 8  | A No, he wasn't and we dropped it.                             |
| 9  | Q Thank you, sir, that's all I have on that, thank             |
| 10 | you. I wanted to turn to another area of testimony, Mr. Hill,  |
| 11 | if I could Pastor Hill and this concerns the matter of         |
| 12 | funds that may have been loaned by TBN to NMTV, my question to |
| 13 | you is, as you sit here today, do you know if NMTV owes TBN    |
| 14 | any money?   |
| 15 | A Yes.   |
| 16 | Q And how much is owed?  |
| 17 | A Approximately \$5,000,000.                                   |
| 18 | Q And when did you learn that?                                 |
| 19 | A Since I've been here.  |
| 20 | Q At the time of your deposition you didn't know that.         |
| 21 | A No, I didn't. And may I add                                  |
| 22 | Q Yes.   |
| 23 | A that that \$5,000,000 includes the \$1,000,000 that          |
| 24 | was transferred to MTV for the possible investment in          |
| 25 | Community Brace.   |

| 1  | Q         | Okay, and from whom did you learn this?               |
|----|-----------|---|
| 2  | A         | This, of course, I've learned that since I've been    |
| 3  | here.     |   |
| 4  | Q         | Yeah, I say from whom.                                |
| 5  | A         | My attorney.  |
| 6  | Q         | From Mr. Topel.                                       |
| 7  | A         | Yes.  |
| 8  | Q         | But when you were deposed in Santa Ana on September   |
| 9  | 29 which  | was the record will speak for itself a few            |
| 10 | months ag | o, you didn't know that, did you?                     |
| 11 | A         | No.   |
| 12 | Q         | And in point in fact, in September on September       |
| 13 | 29 you ha | d no knowledge of what the debts were between TBN and |
| 14 | NMTV, cor | rect?   |
| 15 | A         | No.   |
| 16 | Q         | So all your information is information you've         |
| 17 | gleaned s | ince you're arrived in Washington, to prepare for     |
| 18 | this test | imony?  |
| 19 | A         | Well, all the information that I know, yes, has been  |
| 20 | gleaned s | ince the two weeks that I've been here.               |
| 21 | Q         | Thank you. Now, has TBN forgiven any NMTV             |
| 22 | indebtedn | ess at any time, to your knowledge?                   |
| 23 | A         | Yes, prior to my coming on the board they forgave     |
| 24 | the indeb | tedness to the Odessa station.                        |
| 25 | Q         | And from whom did you learn that?                     |

| 1  | A From the minutes and from the discussion at the              |
|----|--|
| 2  | first board meetings that I attended.                          |
| 3  | Q Now, when you say that what indebtedness                     |
| 4  | concerning the Odessa station, I don't understan I             |
| 5  | understand your words but I don't understand what you're       |
| 6  | saying, explain to me what you mean by the indebtedness.       |
| 7  | A Well, once upon a time the Minority Television sold          |
| 8  | the Odessa station that they owned                             |
| 9  | Q Yes.   |
| 10 | A and there came a point in time that the person               |
| 11 | who bought it could not make the repayment                     |
| 12 | Q Yes.   |
| 13 | A and there was a decision made that it was a                  |
| 14 | that it was best for us to just give the station to the person |
| 15 | and let him continue his work rather than to close it and      |
| 16 | possibly close that avenue of spiritual opportunities to       |
| 17 | minister in that area.   |
| 18 | Q I've confused you and I am sorry for that. What I            |
| 19 | was trying to find out and my question was foggy. What I was   |
| 20 | trying to find out was whether TBN has forgiven any NMTV       |
| 21 | indebtedness, i.e., any money that NMTV owes                   |
| 22 | A Oh, none to my knowledge.                                    |
| 23 | Q Okay, is NMTV now paying off its debt to TBN?                |
| 4  | A To my knowledge we're now paying off according to            |
| 25 | the schedule of the \$27,000 a month interest free and we have |

| 1  | a balloon payment at the end of it.                           |
|----|---|
| 2  | Q And this information that you've learned since              |
| 3  | you've come here  |
| 4  | A Yes.  |
| 5  | Q and Mr. Topel is your source of knowledge.                  |
| 6  | A Yes.  |
| 7  | Q Have you seen any document which states that the            |
| 8  | payment is to be \$27,000 a month with a balloon at the end?  |
| 9  | A Yes.  |
| 10 | Q You do, can you tell me what document you've seen?          |
| 11 | A I saw I guess you would call it the note where it           |
| 12 | literally went, you know, month-by-month showing how much was |
| 13 | to come in and how much would be due at the balloon note.     |
| 14 | Q And there as reference to a balloon in the note?            |
| 15 | A Well, I called it a balloon note because at paying          |
| 16 | \$27,000 a month you wouldn't have paid it all off.           |
| 17 | Q In how many years?  |
| 18 | A I think it's five years.                                    |
| 19 | Q Yeah, well, let me see if I can help you, I'd like          |
| 20 | to find the document that you're talking about.               |
| 21 | JUDGE CHACHKIN: Mr. Cohen, you want any assistance            |
| 22 | from Mr. Topel?   |
| 23 | MR. COHEN: Well, I may have I may need it, Your               |
| 24 | Honor, and I'm  |
| 25 | JUDGE CHACHKIN: Mr. Topel knows the numbers there.            |

| 1  | MR. COHEN: Exhibit 93, all I can                       |
|----|--|
| 2  | MR. TOPEL: It would be the document the witness        |
| 3  | is talking about is                                    |
| 4  | MR. COHEN: Is that                                     |
| 5  | MR. TOPEL: Tab   |
| 6  | MR. COHEN: Are we are you talking Howard, are          |
| 7  | you speaking about                                     |
| 8  | MR. TOPEL: It's the promissory note that's Tab I       |
| 9  | think it's double I or something of this               |
| 10 | MR. COHEN: \$5,000,000 promissory note?                |
| 11 | MR. TOPEL: On Exhibit No. 101.                         |
| 12 | MR. COHEN: Yeah, dated January 1, 1993? Is that        |
| 13 | what you're speaking about?                            |
| 14 | MR. TOPEL: Yeah, um-hum.                               |
| 15 | MR. HILL: Yes.   |
| 16 | MR. COHEN: Would you put that before the witness,      |
| 17 | Howard?  |
| 18 | MR. TOPEL: Uh-huh, if I can find it.                   |
| 19 | MR. COHEN: Thank you.                                  |
| 20 | MR. TOPEL: Your Honor, it's TBF Exhibit No. 101,       |
| 21 | Tab ii.  |
| 22 | JUDGE CHACHKIN: All right, the witness has the         |
| 23 | document   |
| 24 | BY MR. COHEN:  |
| 25 | Q Yeah, what I'd like you to do, sir, is to show me in |

| 1  | the promis | ssory note where there's reference to a balloon     |
|----|------------|---|
| 2  | payment -  | _   |
| 3  | A          | Well, as I said before                              |
| 4  | Ω          | I looked for it and I couldn't find it.             |
| 5  | A          | As I said before, the balloon the word balloon      |
| 6  | may have o | come from me because in all the notes that I've had |
| 7  | if you do  | n't pay it off by monthly payments or yearly        |
| 8  | payments,  | whatever is left at the end of the period is called |
| 9  | a balloon  | note.   |
| 10 | Q          | So you're assumed that.                             |
| 11 | A          | Yes.  |
| 12 | Q          | I see, and this I understand but you're not         |
| 13 | suggesting | g there's any language in the note which reflects   |
| 14 | that.      |   |
| 15 | A          | No. The example that I'm talking about, sir, is on  |
| 16 | that last  | page 2, after paying \$27,000                       |
| 17 | Ω          | Where are you looking?                              |
| 18 | A          | Page 2 on the note payable, it says note payable.   |
| 19 | Q          | The promissory note.                                |
| 20 | A          | Promissory note.                                    |
| 21 | Q          | Page 2, what  |
| 22 | A          | Okay, at \$27,004.50                                |
| 23 | Q          | I don't see that on page 2 of the maybe I have a    |
| 24 | different  | document than you do.                               |
| 25 |            | JUDGE CHACHKIN: Is that page 2 or page another      |

| 1  | page?     |   |
|----|-----------|---|
| 2  |           | MR. COHEN: Then I                                 |
| 3  |           | MR. HILL: Note payable to TBN, page 2.            |
| 4  |           | MR. COHEN: Oh, I see                              |
| 5  |           | JUDGE CHACHKIN: Page 1 oh, you're referring to    |
| 6  |           |   |
| 7  |           | MR. TOPEL: Page 6 of Tab ii.                      |
| 8  |           | JUDGE CHACHKIN: Page 6.                           |
| 9  |           | MR. COHEN: Yeah, I see it, okay.                  |
| 10 |           | MR. HILL: With at page 2.                         |
| 11 |           | MR. COHEN: Okay, so you're and you're assuming    |
| 12 |           |   |
| 13 |           | JUDGE CHACHKIN: At the bottom of the page, the    |
| 14 | bottom of | the page.   |
| 15 |           | MR. HILL: Yeah, the bottom half.                  |
| 16 |           | BY MR. COHEN:                                     |
| 17 | Q         | You're assuming the balloon                       |
| 18 | A         | Yeah.   |
| 19 | Q         | is what you're saying.                            |
| 20 | A         | Yes, it shows the \$27,000 paid and then all of a |
| 21 | sudden it | shows a total balance                             |
| 22 | Q         | I see.  |
| 23 | A         | and the word balloon I may have just used it      |
| 24 | myself.   |   |
| 25 | Q         | I understand. But there's no document, I take it, |

| 1  | that you're aware of executed between TBN and NMTV which   |
|----|--|
| 2  | provides for a balloon payment?                            |
| 3  | A No, no.  |
| 4  | JUDGE CHACHKIN: You have much more, Mr. Cohen?             |
| 5  | MR. COHEN: No, I don't, Your Honor, but this               |
| 6  | JUDGE CHACHKIN: I was thinking we might finish with        |
| 7  | you or we might take a break here which                    |
| 8  | MR. COHEN: I think it would be I think it would            |
| 9  | be more efficient if we took a break and I                 |
| 10 | JUDGE CHACHKIN: Let's take a ten-minute break.             |
| 11 | MR. COHEN: I'd like to review my notes and then            |
| 12 |  |
| 13 | JUDGE CHACHKIN: All right. All right, we'll take a         |
| 14 | ten-minute break at this time.                             |
| 15 | MR. COHEN: Thank you, okay.                                |
| 16 | (Off the record.)  |
| 17 | JUDGE CHACHKIN: All right, back on the record, Mr.         |
| 18 | Cohen  |
| 19 | MR. COHEN: Thank you, thank you.                           |
| 20 | BY MR. COHEN:  |
| 21 | Q Pastor, I wanted to just ask you a few more              |
| 22 | questions about this matter of the note. You have the note |
| 23 | before you, I take it?                                     |
| 24 | JUDGE CHACHKIN: That's ii of I think that's                |
| 25 | Exhibit 101, Tab ii. It's the last thing in the the last   |